

Community Programme

Evidencing the need and scope (September 2015)

A REPORT FOR:



BY:



CONTENTS

	Page
1. Executive Summary	3
2. Background and scope	6
2.1 Introduction	
2.2 Indicative resources	
2.3 Output targets	
3. Our approach	8
3.1 Guiding principles (ESIF)	
3.2 Scope of research	
3.3 Method	
4. Our findings	10
4.1 Key themes	
4.2 Needs and gaps in provision	
4.3 Evidence and “what works”	
4.4 Developing a model	
4.5 Match funding	
5. Options Analysis	16
5.1 Options limitations	
5.2 Options appraisal	
5.2.1 Option 1 Return to mainstream	
5.2.2 Option 2 Integrated Community Programme	
5.2.3 Option 3 Blended model	
6. Recommendations	19
Appendix 1: Consultees	
Appendix 2: Working group members	
Appendix 3: References	

1: Executive Summary

Is there an appetite for a Community Programme?	✓	Unanimous support from partners for a Community Programme
Is there a need?	✓	There are some real needs, which will meet gaps in provision but needs to complement planned and existing activity
Can we find the match funding?	✓	There are opportunities to find match funding but some aspects may be a challenge
Is this viable? / Is there a route to market?	✓	Yes but needs some further develop ideas and potential delivery models
Do we have the partners and stakeholders to help deliver a Community Programme in D2N2?	✓	Most definitely but there is a need for better communication between partners and more collaboration. The skills, expertise and track record are strengths. There is need to work “differently” with better connectivity and coherence

This Community programme allows the LEP to pilot new models of connectivity at a local level that can better shape outcomes in economic delivery.

In light of our research we would summarise the following:

Appetite for a “Community Programme”: There is a strong appetite, amongst the partners consulted, for a Community Programme, as mooted. There is also clear support for the LEP’s willingness to explore the potential for a programme of this type.

Key Principles: There is recognition that these resources should not duplicate existing or planned activity (in either the “mainstream” ESIF programme or the Lottery’s Building Better Opportunities Fund etc.) but should be used to meet gaps in provision, deliver real added value. Moreover, to help coordinate existing support and investment for the benefit of more local areas and provide an opportunity for grassroots organisations to access some funding resource that would not otherwise be available to them (allied with support) to deliver locally led activity.

- Not being too prescriptive – allowing groups to come forward with proposals that make their own case (with evidence of need, “what works and why” and project ideas).
- Flexibility.

Emerging themes:

- Community (and potentially small business) grants programme
- Business engagement with emphasis on networking
- Skills investment to meet local business needs – with inclusion emphasis
- Stimulating innovation and entrepreneurialism – ‘pre’ pre-start business support
- Low carbon and resource efficiency support to small businesses
- Investment and business support for asset based community facilities – particularly environmentally sustainable and low carbon projects
- Structured and coordinated volunteering support with progress towards economic activity

Nature of Support: There is recognition that a need to support community groups in applying for funding would be helpful, as part of the ‘package’ and around their monitoring needs to reduce the burden on frontline organisations, freeing them up to deliver.

A very common trend in the consultation was to advocate that support, where given, is intensive, sustained and provides ‘wrap-a-round’ care to the intended beneficiary - whether that be to an individual, a community group or a business.

For instance:

- a small grants scheme would be best delivered as a ‘cash + support’ model, whereby expertise, mentoring and hand-holding support is provided as part of a package alongside a small grant to a community group
- business support advice and mentoring is offered in addition to a small grant, as part of a business start-up scheme
- holistic, person-centred support is deployed to help people with multiple needs to help them become more job ready – developing their confidence, self esteem, ability to move forward and improve their outlook/well-being.

Match funding: A number of sources of potential match funding were identified as part of the consultation including:

- SFA, Big Lottery Fund and other strategic funders
- Local Authority alignment
- Local investment funds including funds held by Community Foundations
- Alignment of existing projects and activities
- Provider, beneficiary or community contributions

Our recommendations:

D2N2 ESIF Programme Board, on the basis of evidence provided, support the further development of the D2N2 Community Programme and a move towards the development of an implementation approach. In doing so the following additional specific and technical recommendations are also made:

1. The D2N2 Community Programme should, as far as possible, ensure close alignment between ESF and ERDF and should therefore follow **Option 2** (*Integrated Community Programme*) as identified in section 5;
2. The programme should be made available in **two programme ‘packages’ reflecting D2 and N2** geographical areas and ensuring good understanding of local strengths and opportunities;
3. ESF elements should be made available in the form of **small grants with the addition of capacity building and developmental support** for recipient organisations;
4. Considering the scale of ESF available, **at least half of available ESF to be made available without geographical restrictions** across the whole D2 and N2 areas;
5. ERDF elements should focus on **business support in targeted areas** (up to 3 areas per contract) with associated ESF activity to support employability, skills and inclusion activity and involvement with those employers;
6. That opportunities to **enhance the level of ERDF** available to the programme be further explored to ensure compliance with current DCLG commissioning limitations and minimum contract sizes;
7. The model should seek to use an **intermediary body/ies** for contract management and to ensure strategic coordination with other products; in particular *Building Better Opportunities*. Where applicants for the ESF and ERDF elements are different these must clearly demonstrate their relationship and proposals for interaction at application stage to maximise coordination;
8. The programme should seek to source strategic **match at source**; minimising the level of match required at the local delivery or beneficiary level;
9. All delivery should follow the principles of holistic support;
10. The programme should be innovative and focus on community strengths and weaknesses but should also be contracted with an emphasis on evaluation, learning and involve a mid-term **break clause** should progress not be as expected.

2: Background and scope

2.1 Introduction

On submission of the 2014 D2N2 ESIF strategy, a commitment was made to ensure that ESIF investment across Derbyshire and Nottinghamshire met the needs of local communities as well as the economic needs of the wider area. At the time this commitment was envisaged to materialise through a mechanism known as Community Led Local Development (CLLD) and based on the operating model used in the LEADER approach for rural investment, resources were allocated accordingly.

Subsequent guidance from ERDF and ESF Managing Authorities has indicated that CLLD may not now be available across all areas and as a result LEPs have been encouraged to consider bespoke local uses for these allocated funds or consider reincorporating them back into mainstream activity. When the D2N2 Local ESIF Sub-Committee met in Ashbourne they confirmed that there remained a commitment to ensuring very local benefit of these funds. This work subsequently commenced to ensure and that any resulting programme meets the delivery principles of D2N2 and:

- **Adds value** to current ‘mainstream’ ESIF-funded and non-ESIF funded provision.
- **Responds to local needs** across D2N2 within an overall programme that provides a reasonable degree of geographic equity;
- **Can be viably delivered**, by attracting match funding, delivering outputs, being compliant with relevant ESIF funding regulations and requirements and operate within an effective performance management framework.
- **Can be easily accessed by communities and will attract applications**, including the provision of additional support through a project intermediary or utilising ESIF Technical Assistance.
- **Maximises the level of funding being available to provide services to beneficiaries** - promoting effective and efficient collaboration and avoiding duplication.
- **Promotes social value and social innovation**, within an approach that delivers our ESIF Strategy, ESIF Core Delivery principles and excellence in equalities and environmental sustainability.

2.2 Indicative Resources

The Table below details the indicative budget within the ESIF Strategy for CLLD which could now be made available for the development of a bespoke Community Programme:

		2015	2016	2017	2015-17 sub total	2018	2019	2020	2014-20 sub total	Overall Total
SME support	TO3		138,840	190,907	329,747	154,350	133,302	115,061	402,713	£732,460 (8%)
Low carbon	TO4		194,377	267,269	461,646	216,090	186,623	161,085	563,798	£1,025,444 (11%)
ERDF TOTAL			333,217	458,176	791,393	370,440	319,925	276,146	966,511	£1,757,904 ERDF
Employability	TO8	140,318	187,091	233,863	561,272	233,863	233,863	191,768	659,494	£1,220,766 (13%)
Social inclusion	TO9	600,561	800,748	1,000,935	2,402,244	1,000,935	1,000,935	820,767	2,822,637	£5,224,882 (55%)
Skills	TO10	140,318	187,091	233,863	561,272	233,863	233,863	191,768	659,494	£1,220,766 (13%)
ESF TOTAL		881,197	1,174,930	1,468,661	3,524,788	1,468,661	1,468,661	1,204,303	4,141,625	£7,666,414 ESF
					4,316,181				5,108,136	
TOTAL ESF and ERDF										£9,424,317

2.3 Output Targets

Estimated outputs required by the programme are detailed below however these may need to be recalculated as a result of changes to final output definitions within each Operational Programme.

*ERDF Indicators	Amount	ESF Indicators	Amount
Number of enterprises receiving support.	53	Total number of participants (a. + b. + c.)	1440
Number of new enterprises supported.	5	a. Number of unemployed (including long-term unemployed) participants.	549
Employment increase in supported enterprises.	23	b. Number of inactive participants.	557
Number of enterprises cooperating with research entities.	11	c. Number of employed (including self-employed) participants.	335
Infrastructure site development including green infrastructure (hectares)	2.3	Number of participants aged 15-24.	150

3: Our Approach

3.1 Guiding principles (ESIF)

In developing this work we have sought to address the following questions in relation to the 2014-20 ESIF programme across the D2N2 area:

- What gaps are still likely to exist at community level after mainstream ESIF programmes are up and running across D2N2?
- What delivery models are most likely to address those gaps?
- What commonalities or differences exist between different potential models and could any be aligned to achieve impact and scale?
- What barriers might exist to successful delivery (including match funding) and how might these be overcome?
- What is the strategic rationale for any proposed interventions and how will it / they coordinate and add value to mainstream programmes?

3.2 Scope of research

Due to the tight timescales involved this work has sought to:

- Draw upon the finding of existing research and evidence;
- Draw on the expertise of a multi-disciplinary technical working group, convened by Rob Crowder;
- Undertake consultation with a sample cross-sector target audience – including but not limited to:
 - A broad range of relevant VCS organisations
 - Local Authorities – district and unitary / upper tier
 - HE/FE/other learning & skills providers
 - Community-level funders
 - Business support services / providers
 - Existing community programme deliverers
 - Environmental or low carbon groups
 - Employability support organisations
- Invite open input from all stakeholders across the D2N2 area

3.3 Method

Guided by a ‘working group’ chaired by LEP Board Member Rob Crowder, a list of prospective consultees was drawn up and developed. For reasons of resource and timescales we selected a number as ‘priorities’ to consult on a face to face or telephone interview basis and others that could respond to a self-completion style survey form.

A range of key partners and stakeholders who are active in the D2N2 area (across the voluntary and community sector, community funders, business support agencies, local authority and education sectors) have provided some initial feedback on the emerging Community Programme and our findings reflect the feedback from these partners.

There is more work required to ‘flesh out’ a prospective D2N2 Community Programme, but these initial consultations have provided assurances that there is, across the LEP area, a strong appetite for a programme as defined in the project scope and there is also a wealth of skills, track record and expertise amongst partners/stakeholders to help deliver a programme of this type.

4: Our Findings

4.1 Key themes

The overwhelming response to our consultation has been an ongoing theme around the need for much greater coherence, connectivity and integration across economic activity.

All consultees welcomed the LEPs commitment to consider a more localised and innovative use of ESIF that would be of greater benefit to small businesses, small local organisations and individuals; particularly in more disadvantaged or isolated communities.

Consultees also saw the 'Community Programme' as the first real opportunity to align closely the benefits of ESF and ERDF in a more innovative and coordinated way. Many gave practical examples of how lack of connectivity in mainstream programmes impacted disproportionately on small organisations and individuals with additional economic barriers as a result of low capacity and connectivity.

This programme was felt to bring much needed support to local areas in a way which integrates the strengths of multiple sectors and providers. It is an opportunity to break down the structural barriers created by thematic delivery and 'silo' provision and could invest in new ways of working for the benefit of all services in the future.

Whatever the resulting model the programme should build on local knowledge and expertise and ensure

- The opening up of ESIF to smaller organisations and providers and for innovation in delivery models;
- Greater integration and connectivity between economic support programmes at a very local level;
- Enhanced small business support and building business 2 business relationships;
- Connectivity and interaction between businesses and their local communities;
- Increased sustainability within local communities;
- Embedding social inclusion at the heart of the approach;
- Sharing evaluation and learning for the benefit of the whole of D2N2 and beyond.

4.2 Needs and gaps in provision

The project team heard lots of specific examples of the needs of individuals and specific gaps in current provision. However, there were a number of common themes that came across strongly:

- **Connectivity**

This was the single biggest factor identified across all sectors and consultees. In particular the need to provide tailored **holistic support** for both individuals and organisations that identifies and captures local opportunities and puts in place bespoke local solutions

- **Focus on disadvantage**

There was strong consensus that the larger mainstream programmes, especially in ERDF, tended only to impact positively on larger businesses and key sectors. Areas with high levels of urban

disadvantage, outlying towns with pockets of exclusion and more isolated rural communities have a profile typified by smaller businesses, often working in niche markets and with poor capacity to engage or access supporting networks.

Businesses in these areas are those most in need of support and networking in order to survive and thrive. However their small nature often means they do not possess the capacity or awareness to capitalise on potential networking benefits around them or to link proactively with their surrounding communities in order to access a skilled local workforce.

Small business supported networking, linkage to wider economic programmes and the availability of **small business grants** would help greatly in this context. Particular focus needs to be paid on the development of a **skilled workforce**, to maximizing the opportunities of **new technologies**, reducing carbon emissions and improving **resource efficiency**.

A recent evaluation of apprenticeship services in Nottingham City found a high proportion of smaller employers and community organisations were very keen to give opportunities to help address local disadvantage as well as meet their own workforce needs. However, they did not always anticipate the level of capacity or skills needed to provide a higher level of support or 'loco parentis'. This reduced the likelihood of a young person with additional challenges completing their apprenticeship.

- **Engaging smaller providers**

At a very local level there are many small organisations working to support the employability, skills and aspiration of people facing a wide range of barriers. These organisations operate at small local scale and often do not have the quality systems and scale to be able to access the larger strategic grants.

In the 2007-13 ESF programme the work of these groups was harnessed for the benefit of the programme via a small **Community Grants** fund. This fund delivered very substantial outcomes and excellent value for money in achieving skills and employability outcomes. However, oversubscription shows that demand for this funding far outstripped supply and that groups receiving support would also have benefit from an element of **developmental support** to enable them to progress and become more sustainable beyond the life of the grant funding.

One limitation of community grant-funded activity in relation to employability activity, as identified in programme evaluation, has been the capacity of small groups to set up and adequately support work placements, work trials and apprenticeships to the level required by small local employers. The time this activity takes can also be a drain on the community group and increases the risk of the participant losing motivation and dis-engaging again. Support to improve this and therefore longer term outcomes was identified as a future need.

- **Filling local skills gaps**

Both business networks and skills providers identified a major skills gap at the **pre-apprenticeship** level. The ability to provide flexible '**traineeships**' or bespoke learning opportunities to meet local need were seen as crucial to building lasting economic outcomes at local scale. However, support to link learning providers, business and potential / current employees was necessary to enable this to work effectively – **coordinated model**.

- **Maximising sustainability for community assets**

Research by the D2N2 low carbon sub- group identify the need and demand for **community-focused low carbon activity**. Types of projects identified included:

- Community power generation and improving access to renewable power sources;
- Increasing access to energy saving technologies and provide energy saving advice – to business and households;
- Improving sustainable transport infrastructure (mainly cycling);
- Energy, waste and water reduction support – resource efficiency.

Barriers to realising these projects were primarily identified as lack of financial resource to implement and **lack of community capacity / leadership** to drive projects forward.

Lack of community capacity and leadership was also cited with reference to asset transfer models and asset based community development opportunities. Again the need for developmental support at local level to build local skills and create more sustainable community platforms was seen as desirable.

- **Investing in new and ‘green’ industries**

The last gaps that the team heard was a practical example of the impact of connectivity on new and emerging industries. Many small business and community enterprises are developing around the ‘green industries’ sector. The smaller nature of these fledgling organisations means they suffer the lack of connectivity seen across many small businesses. However, their focus on new and emerging technologies means the skills products that underpin these industries are even harder to source making the availability of a skilled workforce scarce and hindering growth and scale. At present there is no apprenticeship framework for many trades within this sector. Thought about how emerging sectors might be better supported in future might be a consideration for the Community Programme or the LEP and Growth Hub.

4.3 Evidence and “what works?”

- **Flexibility**

Allowing a programme to be flexible enough to respond to local strength, needs and opportunities is vital to ensure the added value of connectivity. Any programme should be given as much flexibility as possible to let the market decide on structure and priorities and ensure a delivery structure that spans sectors, areas and specialisms.

- **Small grants with additional support**

Whether for small organisations working on inclusion issues or for businesses developing new activities the addition of developmental support was seen as crucial for better long term outcomes and to protect the value of the initial investment. A “grants plus” approach, whereby small grants can be made available but tied in with mentoring and advisory support to help small organisations become more self-sustainable (and less reliant on grants) would be welcomed.

- **Volunteering**

There is a wealth of evidence demonstrating that regular supported volunteering leads to much greater capacity and confidence to move towards economic activity. The inclusion of volunteering coordination services not only supports the delivery of high quality volunteering opportunities for individuals but also ensures a continuous means by which local organisations can source and meet their volunteer supply needs, therefore freeing them up innovative and increase service delivery and impact. Volunteering is a win:win scenario and should form part of any economic programme seeking to address inclusion issues.

- **Linking skills investment to local growth opportunities**

The ability to respond quickly to fill skills gaps and maximise growth opportunities was seen as very important, especially in more remote areas. Even more so was the ability to do this within the local community – building relationships between local employees and their areas and building longer term prosperity and sustainability across the whole community as a result.

4.4 Developing a model

- **Geography**

The consultation did not highlight any specific localities on which the project should focus but did identify that focussing activity to a scale akin to a LEADER area would achieve better outcomes in a particular locality than by trying to ‘spread the jam’ too thinly.

A number of respondents identified the North Nottinghamshire and North Derbyshire former coalfield areas as particularly relevant as they are economically less developed, have many areas facing long term disadvantage and are also impacted by rurality and lack of services.

- **Model and Scale**

There was significant concern raised about the rise of an industry of ‘intermediaries’ in the delivery of complex projects. However, we also heard an appreciation of the need for coordination, learning across and between areas and for linkage to wider mainstream and specialist opportunities. As such there was agreement that the model should be one that utilises the skills and linkage of a strategic intermediary but supported by an informed and integrated delivery partnership. This partnership or consortium should demonstrate clear linkage into the appropriate communities and ensure adherence with D2N2 ESIF Core Delivery Principles.

In terms of scale – this is primarily restricted by the contracting limitations of the Managing Authorities. For ERDF the minimum investment is £500K with minimal flexibility. As the investment package currently stands this would necessitate a single contract for the first 2-3 years. If further ERDF could be added to the pot e.g. for investment in business resource efficiency, this could be increased to 2 contracts across D2N2 giving a more localised response but retaining scale. Of those that expressed a preference on scale, most felt that a Derbyshire / Nottinghamshire 2-project model was the most desirable.

- **Timescale**

There was a great deal of support for this investment to be brave and support innovation and new models of working. However there was also appreciation that with innovation; comes risk. The resulting model should be committed with sufficient timescale to give new approaches time to embed; taking a view towards long term investment but involve an appropriate break clause (after first 2-3 years) should the delivery model fail.

As this is completely new activity within D2N2 the procurement timescales are not urgent (with the possible exception of community grants activity). However, the potential for complex supply chains and delivery consortia may require a longer development time. Similarly, the long-term nature of the investment would also require sufficient time to realise impact. From this perspective an early commissioning approach would be desirable.

4.5 Match funding

At the outset the availability of appropriate match funding was a concern for the working group. However, following our process of consultation a number of opportunities have been identified and others are still under consideration by the relevant bodies. These are summarised below:

- **National strategic match funders**

Skills Funding Agency (SFA) - in the 2007-13 ESF programme the SFA were co-financing organisations for the delivery of a range of programmes including the ESF Community Grants Programme for skills and employability activity. The SFA are currently negotiating with a number of other LEPs across the region to put in place opportunities for continuation of community grant products under these themes and would be willing to discuss the same with D2N2. The SFA are also willing to consider a community grants model focussed on TO9: Social Inclusion as long as it can be procured at scale and be run through an intermediary body meeting the quality criteria required of their procurement framework. The regional SFA are raising this idea nationally and hope for a response shortly.

Big Lottery Fund – are interested in opening up ESIF for the benefit of communities generally but as this programme involves funds outside the BIG opt-in it would need to be considered on a case by case basis. At present the route for this would be via the Reaching Communities investment strand. However, as a result of this consultation they are also exploring their ability to match programmes with a CLLD-type approach (including ERDF activity) and considering how strategic match for packages might be put in place. They would value further conversation with D2N2 about how this might work.

BIG also welcomes approaches from existing grant holders (e.g. Talent Match) who might come forward with requests to align funding with complimentary EU activity to increase both scale and impact. This would be negotiated on a project by project basis.

Coalfields Regeneration Trust (CRT) – the CRT has been approached but as yet has been unable to input into this consultation. However their long established experience in EU fund alignment and their interest and commitment to Building Better Opportunities have demonstrated that they have a strategic interest in ESIF 2014-20 and are now able to cover the entire D2N2 LEP area.

- **Local strategic funders**

Most **Local Authorities**, especially upper tier authorities, have internal activity budgets that could be aligned with the D2N2 Community Programme including budgets for economic development, VCS support and environmental activities. Local authorities also identified the availability of the *Asset Transfer Capital Allowance* for asset based community activities where an asset transfer has been involved. These allowances might work well for matching business support and development activities that build the sustainability of community enterprises.

Health Funding – the evidence of mental health and personal wellbeing as a barrier to economic inclusion was seen as a major opportunity to link ESIF to strategic health programmes. In particular, it was felt that discussions should take place with local Clinical Commissioning Groups to explore potential synergies. Although this opportunity was identified by a number of consultees, and is upheld in both the Department of Health and Public Health England strategies, this has not been explored further for the purposes of this report.

- **Local grant funders**

Community Foundations – Nottinghamshire and Derbyshire Community Foundations are countywide organisations with a track record in managing grants to local communities. Their grant-giving activity is enabled through the creation of endowment funds which then generate core costs and grant-giving funds and through the management of grants on behalf of third party organisations such as local authorities. Their long established existence means they have extensive reach across communities and small groups across their patch. They have expressed interest in managing and where possible aligning existing funds for the purposes of creating match.

- **Provider match**

A number of consultees identified existing income sources or activity funding streams that could be effectively aligned with the D2N2 Community Programme activities. Examples included RGF-funded programmes, organisational reserves and grant programmes such as Talent Match.

- **Local and beneficiary match**

For business support and business grants activity it was considered reasonable that beneficiaries pay a proportion of the support being made available. For the purposes of business grants it was suggested that this could be aligned with a loan product so that no upfront costs needed to be borne by the business, but an element could be repaid over time once the investment had improved performance.

Other sources of match funding identified included the use of volunteer time and in-kind contributions for ESF activity. In the low carbon communities' consultation, approx 30% of the areas surveyed identified that local match funding could be made available for projects under this theme.

5: Options Analysis

5.1 Option limitations

A number of limitations to the scope of activity and the method of contracting were identified during this consultation process. These included:

- **Project size** -min £500K investment of ESF and ERDF in any project package. This limitations therefore restricts the types of accountable bodies applying to those with sufficient cashflow ability to manage large scale defrayment
- **Coherence** – despite the need for local intervention this needs to take place in a way which links local activity back to mainstream and wider specialist support available. From this basis the project team have ruled out direct applications from community level projects.
- **EU technical compliance** – delivery must be undertaken by an organisation(s) with experience of EU funding.

5.2 Options appraisal

5.2.1 Option 1: Return to mainstream programmes

Under this option the funds would be reintegrated back into the main ESIF commissioning themes but, where possible, used to invest in more localised delivery.

Strengths	Weaknesses
<ul style="list-style-type: none">• Simplistic commissioning process using exiting procurement mechanisms	<ul style="list-style-type: none">• Community focus likely to be lost or diluted.• Reputational risk to LEP for withdrawing funds allocated for local benefit• ERDF support for each theme at too small a scale to meet minimum contract size levels• Perpetuates concerns of ‘silo ‘ working and lack of connectivity between projects and themes

5.2.2 Option 2: Integrated community programme

Under this option the LEP would procure 1 or 2 integrated projects which combine multiple elements of possible activities identified as part of the consultation as current gaps. Projects could deliver some or all of a combination of:

- Inclusion grant fund (with or without developmental support)
- Small business support – including business networking
- Small business grants – with focus on increasing productivity, maximising use of new technologies and improving resource efficiency
- Community asset / community enterprise development support
- Volunteering coordination
- Skills support – with focus on apprenticeships and traineeships to support local business needs and the needs of businesses in new or emerging markets
- Supporting engagement between businesses and their local communities – with an inclusion focus
- Direct support to low carbon projects at community level

Strengths	Weaknesses
<ul style="list-style-type: none"> • Upholds the concept of community reach and benefit • Delivers the ‘connectivity’ identified as the greatest barrier to local growth • Bridges the gap between local economic needs and inclusion • Promotes joint working between sectors, agencies, businesses and communities 	<ul style="list-style-type: none"> • Complex project requiring multiple partners. • Match may be difficult to identify across the whole project package • May require an increase in the ERDF funding available – strengthening support under low carbon, resource efficiency or ICT

5.2.3 Option 3: Blended model

Under this option some of the larger aspects of the programme could be returned to mainstream themes and procured independently where the minimum contract value limitations could still be met. This approach would be particularly pertinent to the procurement of an inclusion-focussed Community Grants programme. This would allow remaining funding to be combined to purchase a local enterprise and skills programme with a possible focus on low carbon activity

Strengths	Weaknesses
<ul style="list-style-type: none">• Upholds the concept of community reach and benefit• Delivers the ‘connectivity’ identified as the greatest barrier to local growth• Reduces some of the difficulties around developing a complete match funding arrangement• Bridges the gap between local economic needs, skills and enterprise• Promotes joint working between sectors, agencies and businesses	<ul style="list-style-type: none">• Complex project requiring multiple partners.• Match may still be difficult to identify across multi-theme project package• May require an increase in the ERDF funding available – strengthening support under low carbon, resource efficiency or ICT• This model would be more difficult to integrate local inclusion activity with the other aspects of the package

6: Recommendations

On the 10th September 2015 the D2N2 Community Programme working group met to discuss the findings of this report and make recommendations to the D2N2 ESIF Programme Board. On the basis of our current information the broad recommendation is that the **D2N2 ESIF Programme Board, on the basis of evidence provided, support the further development of the D2N2 Community Programme and a move towards the development of an implementation approach.** In doing so the following additional specific and technical recommendations are also made:

1. The D2N2 Community Programme should, as far as possible, ensure close alignment between ESF and ERDF and should therefore follow **Option 2** (*Integrated Community Programme*) as identified in section 5;
2. The programme should be made available in **two programme ‘packages’ reflecting D2 and N2** geographical areas and ensuring good understanding of local strengths and opportunities;
3. ESF elements should be made available in the form of **small grants with the addition of capacity building and developmental support** for recipient organisations;
4. Considering the scale of ESF available, **at least half of available ESF to be made available without geographical restrictions** across the whole D2 and N2 areas;
5. ERDF elements should focus on **business support in targeted areas** (up to 3 areas per contract) with associated ESF activity to support employability, skills and inclusion activity and involvement with those employers;
6. That opportunities to **enhance the level of ERDF** available to the programme be further explored to ensure compliance with current DCLG commissioning limitations and minimum contract sizes;
7. The model should seek to use an **intermediary body/ies** for contract management and to ensure strategic coordination with other products; in particular *Building Better Opportunities*. Where applicants for the ESF and ERDF elements are different these must clearly demonstrate their relationship and proposals for interaction at application stage to maximise coordination;
8. The programme should seek to source strategic **match at source**; minimising the level of match required at the local delivery or beneficiary level;
9. All delivery should follow the principles of holistic support;
10. The programme should be innovative and focus on community strengths and weaknesses but should also be contracted with an emphasis on evaluation, learning and involve a mid-term **break clause** should progress not be as expected.

Appendix 1: Acknowledgments - consultees

We would like to express our thanks to the following for providing their views and comments during the course of the scoping assignment.

Bassetlaw CVS

Big Lottery Fund

Business in the Community

Community Voluntary Partners (Bolsover CVP)

Department for Communities and Local Government

Department for Work and Pensions

Derby City Council

Derbyshire Community Foundation

Derbyshire County Council

Derbyshire Dales District Council

Derventio

Enable

Federation of Small Businesses

Futures

Groundwork Greater Nottingham

High Peak CVS

Lloyds Bank Foundation

NBV Enterprise Solutions Ltd.

NetPositive Ltd / Nottingham Energy Partnership

Nottingham City Council

Nottinghamshire Community Foundation

Nottinghamshire County Council

Renovate CIC

Rural Action Derbyshire

Rural Community Action Nottinghamshire / Rose Regeneration

Skills Funding Agency

University of Nottingham

YMCA Derbyshire

Appendix 2: Working Group Members

The following people provided time and expertise to the project Working Group:

Rob Crowder	CEO, Rural Community Action Nottinghamshire
Frank Horsley	Head of Economic Regeneration, Derbyshire County Council
Jerome Baddeley	CEO, NetPositive Ltd
John Yarham	CEO, Futures
Amanda Brown	LEADER Manager, Derbyshire Economic Partnership
Steve Meadows	CEO, The Derbyshire [Training] Network (supported by Phil Golding)

The working group was supported and attended by D2N2 employees and the project consultants:

Matthew Wheatley	Growth Plan Manager, D2N2
Richard Kirkland	ESIF Coordinator, D2N2
Rachel Quinn	CEO, One East Midlands
Adam Jeffrey	CEO, Chimera Consulting

Appendix 3: References

D2N2 Social Inclusion Framework [and associated references]

D2N2 ESIF Strategy

DEFRA Rural Productivity Plan

One East Midlands response to D2N2 Local Implementation Plan

East Midlands ESF Community Learning and Skills Grants Programme Evaluation – Chimera Consulting

East Midlands ESF Community Learning and Skills Grants Programme Evaluation (2) – Richmond Baxter Ltd (findings to date, 2015)

Evaluation of Business In The Community’s ProHelp and Business Champions Programme – Chimera Consulting

The Value of the Voluntary Sector in Nottingham – Nottingham CVS

Institute of Volunteering Research – various references and research articles

The Social Value of Volunteering – speech by Andrew Haldane, Chief Economist, Bank of England

<http://www.bankofengland.co.uk/publications/Documents/speeches/2014/speech756.pdf>

Evaluations of the Nottingham Apprenticeship Grant (2014-15) and Apprenticeship Hub (2015)